

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

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|--------------------------|---|-------------------------|
| In re: | § | |
| | § | |
| BROADBANDNOW TEXAS, INC. | § | Case No. 03-31372 SAF-7 |
| | § | (Chapter 7) |
| Debtor. | § | |

**FINDINGS OF FACT AND CONCLUSIONS OF LAW REGARDING
(I) SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS AND
(II) ASSUMPTION AND ASSIGNMENT OR REJECTION
OF EXECUTORY CONTRACTS¹**

Came on for consideration on the 23rd day of June, 2003 the Debtor's (i) Motion to Sell Substantially All Assets (the "Sale Motion") and (ii) Motion to Assume, Reject or Assume and Assign Contracts as Part of Asset Sale (the "Contract Motion") (collectively, the "Motions"). Upon consideration of the record and the evidence, and after an auction held in open court, the Court enters the following findings of fact and conclusions of law:

¹ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact when appropriate.

This Court has jurisdiction to hear and determine the Motions² pursuant to 28 U.S.C. §§ 157 and 1334.

The Motions constitute core proceedings under 28 U.S.C. §§ 157(b)(2)(A), (K), (M), (N) and (O). The statutory predicates for the relief requested in the Motions are Sections 105, 363, 365 and 1146(c) of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002 and 6004.

All interested parties and entities have been afforded a reasonable opportunity to object to or be heard regarding the relief requested in the Motions.

The Debtor conducted the sale process in compliance with the bidding procedures approved by this Court in its May 12, 2003 Order and other applicable law.

The Sale represents the highest and best offer for the Assets, and the purchase price is fair and reasonable. The Sale will provide a greater recovery for the Debtor's estate than would be provided by any other practical available alternative.

The Sale must be approved and consummated promptly in order to preserve the value of the Assets.

The Sale was negotiated, proposed, and entered into by the parties without collusion, in good faith, and from arm's length bargaining positions. Interquest is a buyer in good faith of the Assets under Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. Neither the Debtor nor Interquest has engaged in any conduct that would cause or permit the Sale to be avoided under Section 363(n) of the Bankruptcy Code.

The transfer of the Assets pursuant to the Sale (a) is or will be a legal, valid, and effective transfer of property of the Debtor's estate to Interquest and (b) vest or will vest Interquest with

² To the extent not otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Order entered granting the Motions.

the Debtor's right, title, and interest in the Assets free and clear of all liens, claims, interests, and encumbrances under Section 363(f) of the Bankruptcy Code.

The findings and conclusions contained herein which apply to Interquest will apply to Corban in the event that the transaction with Interquest fails to close and Corban closes the transaction.

The relief requested in the Motions, including approval of the Sale and the Assumption and Assignment of certain executory contracts, is in the best interests of the Debtor, its creditors, its estate and other parties in interest.

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Signed: June 27, 2003

John A. Zerk
U.S. Bankruptcy Judge